

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 INR-10 NSAE-00 RSC-01 DRC-01

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R 241400Z JUN 74

FM AMEMBASSY SAN SALVADOR

TO USDOC WASHDC

USIA WASHDC

INFO SECSTATE WASHDC 5780

UNCLAS SECTION 1 OF 2 SAN SALVADOR 2507

E.O. 11652 NA

TAGS: BEXP, ES, AFSB

SUBJ: FY 75 COMMERCIAL ACTION PROGRAM (CAP) EL SALVADOR

REF: A. A-4304, MAY 24, 74 (FY 1975 CAP)

B. A-4283, MAY 17, 1974 (FY 1976 PROMOTION SCHEDULE)

C. A-3435, APRIL 10, 74 (BEST PROSPECTS)

D. SAN SALVADOR 2109, MAY 24, 1974 (FY 1975 BUDGET ESTIMATES)

E. SAN SALVADOR 2081, MAY 23, 1974 (TRADE FAIR)

F. SAN SALVADOR 4561, DEC. 7, 1973 (FY 1974 :-0)

1. INTRODUCTION: THE EMBASSY APPRECIATED GUIDELINES OF REF A. WE RESPECTFULLY SUBMIT THAT OUR FY 1974 CAP PROGRAM (REF F) APPLIES TO SPECIFIC PECULIARITIES OF THIS MARKET. WE FEEL THAT TO MODIFY IT SUBSTANTIALLY WOULD PREJUDICE THE INCREMENTAL SALES WE ARE CONSTANTLY SEEKING AND OBTAINING. WE ARE FULLY UTILIZING ALL OUR AVAILABLE MANPOWER AND LIMITED RESOURCES, AND HAVE ASKED FOR SLIGHTLY INCREASED BUDGETARY SUPPORT FOR FY 1975 (REF D). WE ALREADY PREGULARLY COVER AVAILABLE MAJOR PROJECTS, TARGET INDUSTRIES AND HIGH INTEREST TARGETS OF OPPORTUNITY WITH ACTIONS SIMILAR TO THOSE DESCRIBED IN REF. A. WE WORK WITH ABOUT 50 SALVADORAN FIRMS, 6 TRADE ASSOCIATIONS REPRESENTING ABOUT 1000 MEMBERS, 14 GOVT MINISTRIES AND AGENCIES, AND SOME 45 AMERICAN SUBSIDIARIES.

2. CAMPAIGN ONE: INCREASE US SHARE OF SALVADORAN IMPORTS (US SHARE WAS 28.5 PERCENT IN 1972 DOWN FROM 42.5 PERCENT IN UNCLASSIFIED

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1960 (PRIOR TO THE CACM).

A. US TRADE CENTER EVENTS YEAR 1975;
ACTION 1-GRAPHIC ARTS-AUGUST 1974-PROMOTION ACTIONS
(ACTIVITIES). USIS WILL PUBLICIZE THIS SHOW AND WE WILL SEEK
TO HAVE THE APPROPRIATE TRADE ASSOCIATIONS DO SO ALSO. APPROPRIATE
CONTACTS ARE ALREADY UNDERWAY WITH INDIVIDUAL FIRMS;
ACTION 2-PLASTIC EQUIPMENT-FEBRUARY 1975-PROMOTION ACTIONS
(ACTIVITIES)-SAME AS (1)
ACTION 3-MEDICINAL AND PHARMACEUTICAL PRODUCTSAMARCH 1975-
PROMOTION ACTIONS (ACTIVITIES)-(A MARKET STUDY WAS SUBMITTED
TO USDOC THIS MONTH)-SAME AS (1)
ACTION 4-ADVANCED MEDICAL EQUIPMENT-APRIL 1975-PROMOTION
ACTIONS (ACTIVITIES)-SAME AS (1).
ACTION 5-POLLUTION CONTROL EQUIPMENT-ROMOTION ACTIONS
(ACTIVITIES). SAME AS (1).

B. MAJOR PROJECTS:

ACTION1. GEOTHERMAL PROJECTS (AHACHAPAN 11 AND NEW SITE NEAR
CERRON GRANDE)-ENGINEERING SERVICES, TRANSMISSION LINES AN
AUXILIARY EQUIPMENT-PROMOTION ACTIONS (ACTIVITIES) AND INTELLIGENCE
ACTIONS (EARLY WARNINGS, TOP, OOHER). WE ARE PERMANENTLY
IN TOUCH WITH CEL (POWER AUTHORITY) THROUGH VISITS AND REPRE-
SENTATION AND WITH CONSULTANTS, HARZA ENGINEERING, HERE.
ACTION 2-COMALAPA JET AIRPORT (ASTORIA)-DESIGN ENGINEERING
AND CIVIL CONSTRUCTION-PROMOTION ACTIONS (ACTIVITIES)-WE
ARE IN CONSTANT CONTACT WITH CEPA (PORT AUTHORITY) AND WITH
THE NATIONAL ASSEMBLY (LEGISLATURE) ON THIS IMPORTANT PROJECT.
ACTION 3-TELECOMMUNICATIONS FOR PUBLIC PROJECTS-PLANNING
SERVICES FOR CEL AND ANTEL (TELECOMMUNICATIONS AUTHORITY).
PROMOTION ACTIONS (ACTIVITIES). OUR SECOND ECONOMIC OFFICER
HAS SPECIALIZED IN THESE FIELD AND IS "ON TOP" OF PRESENT
AND FUTURE PLANS OF BOTH THESE AGENCIES VIA VISITS AND REPRE-
SENTATION.

C. TARGET INDUSTRIES:

ACTION 1-WATER PUMPS AND VALVES-IRRIGATION PROJECTS (ATIO-
COYO PHASES 1 AND II, POTABLE WATER SUPPLY IN RURAL AREAS, SAN
SALVADOR WATER SUPPLY, SWIMMING POOL EQUIPMENT). INTELLIGENCE
ACTIONS-A MARKET STUDY WILL BE UNDERTAKEN BY THE EMBASSY
UPON ITS COMPLETION, WE SHALL DETERMINE WHAT PROMOTION ACTIONS
TO TAKE.
ACTION 2-TOURISM (HOTEL, MOTEL AND RESTAURANT EQUIPMENT AND
SUPPLIES)-INTELLIGENCE ACTIONS (EARLY WARNINGS) AND PROMOTION
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FCTIONS (ACTIVITIES)-WE ARE IN TOUCH WITH ISTU (THE TOURISM
INSTITUTE) AND WITH CONAPLAN (NATIONAL PLANNING COMMISSION)
CONCERNING THE PROPOSED CONSTRUCTION OF THREE HOTELS ALONG THE
COAST.

D. HIGH-INTEREST TARGETS OF OPPORTUNITY
ACTION 1-INTELLIGENCE ACTIONS-WE PLAN TO CONDUCT SEVEN
MARKET STUDIES IN THE FOLLOWING ORDER BASED ON CURRENT AND/OR
ESTIMATED PRIVATE ENTERPRISE POTENTIAL TOTALLING OVER \$160

MILLIONS SUPPLIES TO US BY ANEP (ASOCIACION NACIONAL DE LA EMPRESA PRIVADA):

- A. TEXTILE INDUSTRY MACHINES AND ACCESSORIES;
- B. TRACTORS AND AGRICULTURAL MACHINERY;
- C. CONSTRUCTION, MINING AND OTHER MACHINERY FOR INDUSTRIAL USES, INCLUDING SUGAR MILLS;
- D. ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES;
- E. BUILDERS' HARDWARE;
- F. MATERIALS HANDLING EQUIPMENT;
- G. USED VEHICLES AND PARTS, AND EQUIPMENT FOR RECONSTRUCTION AND REPAIRING OF VEHICLES.

FIVE OF THESE SEVEN STUDIES WILL BE UNDERTAKEN BY THE EMBASSY AND TWO WILL BE CONTRACTED OUT IF WE OBTAIN THE FUNDS REQUESTED IN REF (D).

ACTION 2-INTELLIGENCE ACTIONS. UPON COMPLETION OF EACH STUDY, WE WILL FOLLOW THROUGH WITH TOP MESSAGES.

ACTION 3-PROMOTION ACTIVITIES. WE WILL ADVISE WHETHER AN EVENT OR ACTIVITY IS WARRANTED.

E. OTHER TARGETS OF OPPORTUNITY:

WE PLAN TO CARRY OUT BRIEF MARKET PROFILES, IF FEASIBLE (RESOURCES, TIME AND BUDGET) ON PRIVATE COMMUNICATION SYSTEMS (TRANSMITTERS AND RECEIVERS); AUTOMOTIVE VEHICLES (PASSENGER COMPACTS AND LIGHT UTILITY); AMERICAN WINES

3. CAMPAIGN TWO: US PARTICIPATION IN THE 6INTERNATIONAL TRADE FAIR OF EL SALVADOR NOVEMBER 8-25, 1972 (REF 3).
ACTION 1-PROMOTION ACTIONS (ACTIVITIES). WE HAVE NOT COMPLETED THE PROCUREMENT OF 26 STANDS AND TWO NON-STAND ENCLOSED AREAS ADJACENT TO USIS'S EXHIBIT, THUS FILLING ALL THE PAVILION UTILIZED IN 1972. THE ONGOING EMBASSY-COORDINATED-JOINT-PRIVATE ENTERPRISE EFFORT WILL REQUIRE CONSIDERABLE USE OF EMBASSY HUMAN RESOURCES RIGHT UP TO AND THROUGH DECEMBER 15, 1974. WE SHALL CONTINUE WITH OUR PROGRAM OF REPRESENTATIONAL MEETINGS AND UNCLASSIFIED

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VISITS. WE ARE CONFIDENT THAT A SUCCESSFUL US PRESENTATION WILL CONSIDERABLY ENHANCE OUR OVERALL RELATIONS WITH THE HOST COUNTRY GOVT AND PRIVATE SECTOR AND FACILITATE OUR TRADE PROMOTION PROGRAM.

ACTION 2-A REPORT WILL BE SENT TO USDOC AFTER THE SHOW. IT WILL BE ESSENTIAL FOR US TO OBTAIN SOME USDOC TECHNICAL ASSISTANCE FROM THE US TRADE CENTER, MEXICO JUST BEFORE AND DURING THIS ACTIVITY TO HELP ASSURE THE SUCCESS OF OUR EFFORT.

4. CAMPAIGN THREE: ASSISTING THE US TRADE CENTER IN MEXICO CITY;
ACTION 1-PROMOTION ACTIONS...WE SHALL CONTINUE TO CAMPAIGN WITH SALVADORAN FIRMS AND TRADE ASSOCIATIONS TO SEND PEOPLE TO MEXICO. TO THIS END THE COMMERCIAL ATTACHE IS TRAVELING TO MEXICO CITY LATE JUNE 74. WE PLAN TO COOPERATE WITH USIS IN THIS ENDEAVOR VIA PUBLICATIONS IN THE NEWS MEDIA AND THROUGH AUDIO-VISUAL

PRESENTATIONS. WE HOPE THAT AT LEAST ONE MINI-MISSION WILL VISIT
EL SALVADOR DURING FY 75, PERHAPS IN POLLUTION CONTROL (REF. B).

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5. CAMPAIGN 4: OTHER PROJECTS

ACTION 1 - WE WILL CONTINUE TO FOSTER FOREIGN BUYER GROUPS,
NEW PRODUCTS (IN COOPERATION WITH USIS), THE TOP PROGRAM (IN
COOPERATION WITH USIS), ALERT REPORTING, PUBLIC BIDS.

6. RESOURCE ALLOTMENTS.

THE ENTIRE MISSION (8 US FEDERAL AGENCIES) IS GEARED TO OUR
TRADE PROMOTION EFFORT UNDER THE PERSONAL DIRECTION OF THE AMBASSADOR
AND IMPETUS OF THE DCM AND EACH OF THE SECTION AND AGENCY HEADS.
PROGRAM DIRECTION OFFICERS ARE ALERT TO THE NEED AND CARRY OUT
REPRESENTATIONAL ACTIVITIES INTENDED TO PROMOTE US TRADE OPPORTU-
NITIES. THE COUNTRY TEAM REGULARLY EXCHANGES INFORMATION ON TRADE
OPPORTUNITIES AND TIPS WITH THE COMMERCIAL ATTACHE. THE COMMERCIAL
ATTACHE DEVOTES 100 PERCENT OF HIS TIME TO THE OVERALL PURSUIT OF
INCREMENTAL EXPORTS VIA OUTSIDE CALLS, MEETINGS, REPRESENTATIONAL
ACTIVITIES, CLOSE COOPERATION WITH THE AMERICAN BUSINESS COMMUNITY,
THE AMERICAN CHAMBER OF COMMERCE AND THE SIX MOST IMPORTANT SALVADORA
N
TRADE ASSOCIATIONS, AND GOES PROCUREMENT AND OTHER OFFICIALS. THE
COMMERCIAL SPECIALIST DEVOTES 100 PERCENT O HIS TIME ON PUBLIC
BIDS, TOP, TRADE INQUIRIES, VISITORS ON SPECIFIC PRODUCTS, AND
ASSISTING WITH THE FAIR. THE COMMERCIAL ASSISTANT DEVOTES ALL HER
TIME TO MARKET STUDIE, COMMERCIAL LIBRARY AND ADS'S, PLUS THE RE-

GULAR VISITORS. THE COMMERCIAL SECRETARY TAKES CARE OF ALL THE CORRESPONDENCE AND HANDLES THE CHECKING AND INVENTORY OF WTDR'S.
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THE TWO ECONOMIC OFFICERS DEVOTE 50 PERCENT AND 25 PERCENT RESPECTIVELY, TO COMMERCIAL WORK AND COOPERATE VERY CLOSELY WITH THE COMMERCIAL ATTACHE. WE HAVE REQUESTED (REF D) ADDITIONAL MONIES FOR TRAVEL, REPRESENTATION, LIBRARY AND MARKET STUDIES.

7. GENERAL - THERE BEING NO SPECIFIC RESTRAINTS AGAINST US EXPORTS THERE IS NO NEED FOR COUNTER-RESTRAINT ACTIONS IN FY 1975.

FOREIGN INVESTMENT CONTINUES TO BE ENCOURAGED IN LABOR-INTENSIVE PROJECTS. WE SHALL, THEREFORE, ALSO DEVOTE RESOURCES TO ASSISTING US INVESTMENT INTERESTS AND TO CONTRACTS WITH THE SERVICES AND FINANCING REPRESENTATIVES. CLOSE COOPERATION WILL CONTINUE WITH THE AGRICULTURE ATTACHE.

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